



STATE OF WISCONSIN
Division of Hearings and Appeals

In the Matter of

Office of the Inspector General, by Nadine Stankey, Petitioner

vs.

██████████, Respondent

DECISION

Case #: FOF - 168795

Pursuant to petition filed September 18, 2015, under Wis. Admin. Code §HA 3.03, and 7 C.F.R. § 273.16, to review a decision by the Office of the Inspector General, by Nadine Stankey to disqualify ██████████ from receiving FoodShare benefits (FS) one year, a hearing was held on Thursday, November 5, 2015 at 09:00 AM at Milwaukee, Wisconsin.

The issue for determination is whether the respondent committed an Intentional Program Violation (IPV).

There appeared at that time the following persons:

PARTIES IN INTEREST:

Petitioner:

Office of the Inspector General, by Nadine Stankey
Department of Health Services - OIG
PO Box 309
Madison, WI 53701

Respondent:

██████████
██████████
██████████

█

ADMINISTRATIVE LAW JUDGE:

Mayumi Ishii
Division of Hearings and Appeals

FINDINGS OF FACT

1. The respondent (CARES # ██████████) is a resident of ██████████.

2. On October 1, 2015, OIG prepared an Administrative Disqualification Hearing Notice alleging that the Respondent allowed someone outside his household to use his FoodShare benefits while he was incarcerated between September 24, 2014 and January 27, 2015.

DISCUSSION

What is an IPV?

An IPV is defined at 7 C.F.R. §273.16(c) as intentionally: making a false or misleading statement or misrepresenting; concealing or withholding facts; or committing any act that constitutes a violation of the Food Stamp Act, federal regulations or any Wisconsin statute relating to the use, presentation, transfer, acquisition, receipt or possession of food stamp coupons or an authorization to participate (ATP) card.

The Department's written policy restates federal law, below:

3.14.1 IPV Disqualification

7 CFR 273.16

A person commits an Intentional Program Violation (IPV) when s/he intentionally:

1. makes a false or misleading statement, or misrepresents, conceals or withholds facts; or
2. commits any act that constitutes a violation of the Food Stamp Act, the Food Stamp Program Regulations, or any Wisconsin statute for the purpose of using, presenting, transferring, acquiring, receiving, possessing or trafficking of FoodShare benefits or QUEST cards.

An IPV may be determined by the following means:

1. Federal, state, or local court order,
2. Administrative Disqualification Hearing (ADH) decision,
3. Pre-charge or pretrial diversion agreement initiated by a local district attorney and signed by the FoodShare recipient in accordance with federal requirements, or
4. Waiver of the right to an ADH signed by the FoodShare recipient in accordance with federal requirements.

FoodShare Wisconsin Handbook, §3.14.1.

The agency may disqualify only the individual who either has been found to have committed the IPV or has signed a waiver or consent agreement, and not the entire household. If disqualified, an individual will be ineligible to participate in the FS program for one year for the first violation, two years for the second violation, and permanently for the third violation. However, any remaining household members must agree to make restitution within 30 days of the date of mailing a written demand letter, or their monthly allotment will be reduced. 7 C.F.R. §273.16(b).

What is the Agency's Burden of Proof?

In order for the agency to establish that an FS recipient has committed an IPV, it has the burden to prove two separate elements by clear and convincing evidence. The recipient must have: 1) committed; and 2) intended to commit an intentional program violation per 7 C.F.R. §273.16(e)(6).

"Clear and convincing evidence" is an intermediate standard of proof which is more than the "preponderance of the evidence" used in most civil cases and less than the "beyond a reasonable doubt" standard used in criminal cases.

In Kuehn v. Kuehn, 11 Wis.2d 15, 26 (1959), the court held that:

Defined in terms of quantity of proof, reasonable certitude or reasonable certainty in ordinary civil cases may be attained by or be based on a mere or fair preponderance of the evidence. Such certainty need not necessarily exclude the probability that the contrary conclusion may be true. In fraud cases it has been stated the preponderance of the evidence should be clear and satisfactory to indicate or sustain a greater degree of certitude. Such degree of certitude has also been defined as being produced by clear, satisfactory, and convincing evidence. Such evidence, however, need not eliminate a reasonable doubt that the alternative or opposite conclusion may be true. In criminal cases, while not normally stated in terms of preponderance, the necessary certitude is universally stated as being beyond a reasonable doubt.

Wisconsin Jury Instruction – Civil 205 is also instructive. It provides:

Clear, satisfactory and convincing evidence is evidence which when weighed against that opposed to it clearly has more convincing power. It is evidence which satisfies and convinces you that “yes” should be the answer because of its greater weight and clear convincing power. “Reasonable certainty” means that you are persuaded based upon a rational consideration of the evidence. Absolute certainty is not required, but a guess is not enough to meet the burden of proof. This burden of proof is known as the “middle burden.” The evidence required to meet this burden of proof must be more convincing than merely the greater weight of the credible evidence but may be less than beyond a reasonable doubt.

Further, the *McCormick* treatise states that “it has been persuasively suggested that [the clear and convincing evidence standard of proof] could be more simply and intelligibly translated to the jury if they were instructed that they must be persuaded that the truth of the contention is highly probable.” 2 *McCormick on Evidence* § 340 (John W. Strong gen. ed., 4th ed. 1992).

Thus, in order to find that an IPV was committed, the trier of fact must derive from the evidence, a firm conviction that the Petitioner sold her FoodShare benefits, even though there may exist a reasonable doubt that the opposite is true.

The Merits of the Agency’s Case

Wis. Stats. §49.795 describes various food stamp/Food Share offenses and under subsection 3 states that, “no person may knowingly issue food coupons to a person who is not an eligible person...”

7 CFR §271.5(b)(1) states that individuals who knowingly transfer coupons, authorization cards, or access devices, between \$100 and \$5000 in value, in any manner contrary to the Food and Nutrition Act of 2008, is guilty of a felony.

In the case at hand, OIG asserts that the Respondent violated program rules by allowing someone outside of his household to use his EBT card while he was incarcerated between September 24, 2014 and January 27, 2015.

In order to prove the Respondent was incarcerated during the time in question, and therefore, unable to use his EBT card, himself, OIG relied upon a [REDACTED] Report generated by a commercial information broker /data miner. According to OIG, the information broker scours other data bases to compile information about people, so the information is at best double hearsay and may very well have further layers of hearsay.

While the report might be a good place to start an investigation, it cannot be OIG’s only evidence. There is nothing about this hearsay information that lends it an indicia of reliability. No one from the information broker testified regarding where they get their information from or why it should be considered accurate. On the

contrary, the records from the [REDACTED] Sheriff's Office (Exhibit 4) show different custody dates than the [REDACTED] Report. OIG had no explanation for this inconsistency.

Fortunately for OIG, the Respondent did not dispute the fact that he was in custody at the [REDACTED] between September 24, 2014 and January 27, 2015, nor did he dispute that someone else was using his EBT card, that should not have been.

The Respondent testified that he was arrested outside his home and that he did not have his wallet. The Respondent testified that he wrote his pin number down on a piece of paper that he kept with his EBT card in his wallet. The Respondent testified that while he was in jail someone stole his wallet and that when he was released from custody, he called the agency to get a new EBT card.

Looking at the EBT card usage in Exhibit 8, the EBT card used during the Respondent's incarceration ended in [REDACTED]. Ms. Stankey testified that she cancelled the card on January 27, 2015, when it was discovered that the card was being used while the Respondent was in jail. It is unclear whether the Respondent knew about this at the time the card was inactivated.

Exhibits 6 and 8 show that the Respondent must have requested new card sometime in March and changed the PIN number. There is no documentation showing what the Respondent told the agency when he requested the new card, nor is there documentation showing what the agency told the Respondent at that time.

Exhibit 6 does show that the card that was issued in March 2015, was reported stolen on an unspecified date.

The Respondent may have been confused about which card he reported stolen, or he might be fabricating his defense. The fact remains the burden of proof falls on OIG and the evidence is unclear.

The Respondent claims that his card was used without his consent; the fact that he was in jail with a limited ability to consent to someone using his card would bolster his claim, since there is no evidence concerning who used the card. Further, Exhibit 5 shows that someone attempted to use the card ending in [REDACTED] on May 28, 2015, and it shows that there were no other transactions for the Respondent's EBT account on that date. It does not make sense that the Respondent would use the old card, since the Respondent should have known that his benefits were now on his newest card, ending in [REDACTED]. This would also seem to support the Respondent's claim that someone took his card and used it without his consent.

Based upon the foregoing, it is found that OIG has not met its burden to prove, by clear and convincing evidence, that the Respondent consented to a person outside his household using his EBT card while he was in prison.

CONCLUSIONS OF LAW

OIG has not met its burden to prove, by clear and convincing evidence, that the Respondent intentionally violated the rules of the FoodShare program.

NOW, THEREFORE, it is ORDERED

IPV case number [REDACTED] is hereby reversed.

REQUEST FOR A REHEARING ON GROUNDS OF GOOD CAUSE FOR FAILURE TO APPEAR

In instances where the good cause for failure to appear is based upon a showing of non-receipt of the hearing notice, the respondent has 30 days after the date of the written notice of the hearing decision to claim good cause

for failure to appear. See 7 C.F.R. sec. 273.16(e)(4). Such a claim should be made in writing to the Division of Hearings and Appeals, P.O. Box 7875, Madison, WI 53707-7875.

APPEAL TO COURT

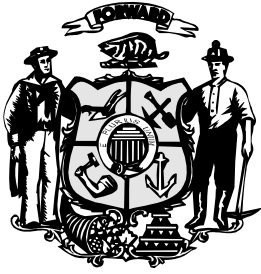
You may also appeal this decision to Circuit Court in the county where you live. Appeals must be filed with the Court **and** served either personally or by certified mail on the Secretary of the Department of Health Services, 1 West Wilson Street, Room 651, Madison, WI 53703, **and** on those identified in this decision as “PARTIES IN INTEREST” **no more than 30 days after the date of this decision** or 30 days after a denial of a timely rehearing request (if you request one).

The process for Circuit Court Appeals may be found at Wis. Stat. §§ 227.52 and 227.53. A copy of the statutes may be found online or at your local library or courthouse.

Given under my hand at the City of Milwaukee,
Wisconsin, this 25th day of November, 2015

\sMayumi Ishii
Administrative Law Judge
Division of Hearings and Appeals

- c: Office of the Inspector General - email
- Public Assistance Collection Unit - email
- Division of Health Care Access and Accountability - email
- Nadine Stankey - email



State of Wisconsin\DIVISION OF HEARINGS AND APPEALS

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The preceding decision was sent to the following parties on November 25, 2015.

Office of the Inspector General
Public Assistance Collection Unit
Division of Health Care Access and Accountability
NadineE.Stankey@dhs.wisconsin.gov